

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

July 8, 2003

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**FROM: THOMAS R. LAURIN, DIRECTOR
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT**

**SUBJECT: ADOPT RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF
AN ASSIGNMENT, ASSUMPTION, AND CONSENT AGREEMENT
CONCERNING THE SALE OF THE PARK HEIGHTS APARTMENTS TO
GRIFFIN PARTNERS, LLC, OR ITS AFFILIATED ASSIGNEE; AND RELATED
ACTIONS**

RECOMMENDATION: Adopt resolution of the Board of Supervisors of the County of San Bernardino approving and authorizing:

- 1) The execution and delivery of an assignment, assumption, and consent agreement concerning the sale by Capital Foresight-Inland Empire, L.P., a California limited partnership, the owner and transferor (Transferor) of the Park Heights Apartments (Project) to Griffin Partners, LLC, or its affiliated assignee, 2) the execution and delivery of a Bond Counsel Services Agreement with the firm of Fulbright & Jaworski, L.L.P. for legal services related to this sale and, 3) the execution and delivery of any and all necessary and related documents and actions in connection therewith.

BACKGROUND INFORMATION: In 1998, the Board of Supervisors adopted a resolution approving and authorizing the issuance, sale, and delivery of County of San Bernardino Multifamily Housing Mortgage Revenue Refunding Bonds, 1998 Series A in the amount of \$5,520,000 (Bonds), the proceeds of which were used to refund certain outstanding bonds and to refinance the Nova Park Heights Apartments Project (the Project's prior name) in the City of San Bernardino. The Project is a 192-unit residential rental development located at 2011 Arden Avenue, City of San Bernardino. Notwithstanding the fact that the Bonds were redeemed in 2002, the Project remains subject to a compliance period until January 25, 2008 and any sale requires County's consent to the transfer. Under the terms of the Regulatory Agreement executed in connection with the Bonds, the transferee that is acquiring the project must provide the written, express unconditional assumption of all payment and performance obligations under the Regulatory Agreement and the Loan Agreement. County staff, in consultation with Bond Counsel, will determine if all the conditions of the Regulatory Agreement have been satisfied. If they have, the documents identified above will be executed in connection with the transfer.

Approval of a Bond Counsel Services Agreement is also included in the recommendation that will allow the law firm of Fulbright & Jaworski, L.L.P. to provide services for the proposed sale. The

Record of Action of the Board of Supervisors

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Department of Economic and Community Development (ECD) completed a Board-approved Request for Proposals (RFP) process in August 2000 to solicit qualified underwriters and bond counsel firms, and to provide the necessary professional services specific to the Multifamily Residential Rental Housing Revenue Bond Program. The firm of Fulbright and Jaworski, L.L.P. was selected as provider of those services and continues as a member of the current Board-approved County Financing Pool.

REVIEW BY OTHERS: The resolution was reviewed and approved by Deputy County Counsel, Michelle D. Blakemore on, June 18, 2003; the Department of Economic and Community Development's Contract Compliance Designee, David Larsen, on June 19, 2003; and the County Administrative Office, Patricia M. Cole, Administrative Analyst III on June 29, 2003.

FINANCIAL IMPACT: This action has no impact on the County General Fund, the Community Development Block Grant Program, or the HOME Program. Neither the faith and credit nor the taxing power of the County, the State of California or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The owner has agreed to pay all costs associated with the sale of the project.

SUPERVISORIAL DISTRICT(S): 5th.

PRESENTER: Thomas R. Laurin, Director, 388-0808.

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